

COMMITTEE WORKSHOP  
BEFORE THE  
CALIFORNIA ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

In the Matter of:            )  
                                  )  
Application for                )  
Certification for the        ) Docket No. 00-SPPE-1  
GWF POWER SYSTEMS CO.,    )  
INC., Hanford Energy        )  
Park Application for         )  
Small Power Plant            )  
Exemption                    )  
\_\_\_\_\_)

CITY OF HANFORD CIVIC AUDITORIUM  
COUNCIL CHAMBERS  
400 N. DOUTY STREET  
HANFORD, CALIFORNIA

TUESDAY, MARCH 13, 2001

11:00 A. M.

Reported by:  
Valorie Phillips  
Contract No. 170-99-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

STAFF PRESENT

Garret Shean, Hearing Officer

Jack Caswell, Project Manager

Caryn Holmes, Senior Staff Counsel

REPRESENTING THE APPLICANT

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David Stein, Project Lead  
URS Corporation

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

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## 1 P R O C E E D I N G S

2 HEARING OFFICER SHEAN: Okay, good  
3 morning, ladies and gentlemen, I'm Garret Shean.  
4 I'm a Hearing Officer with the California Energy  
5 Commission. We're here this morning for a  
6 Committee Workshop.

7 Our purposes are multi-fold. What we're  
8 going to do this morning is have an opportunity  
9 for the Applicant, GWF Power Systems to make a  
10 brief presentation to those of you who are new to  
11 this project as to what it is, where it will be  
12 and what it will do.

13 We also have a document that is  
14 available for review. The Commission staff, which  
15 is over here on my right and your left, has  
16 prepared an initial study which they went through  
17 a public review process with down here at multiple  
18 meetings in the community. It had been revised  
19 and became finally available in February, I think,  
20 on the 16th of February.

21 At that point the Commission Committee  
22 that I represent, which is two of the five  
23 Commissioners from the Energy Commission,  
24 deliberated on the matter and came up with a  
25 proposed decision, essentially adopting the

1 staff's initial study and proposed negative  
2 declaration and is making a recommendation to the  
3 full five-member Board that the Commission accept  
4 the application for a small powerplant exemption,  
5 which will then allow GWF to proceed with  
6 construction with the local permitting. It's  
7 essentially an exemption from our process.

8 At this point what we're trying to do is  
9 to get comments from the public and any other  
10 agencies with respect to either the initial study,  
11 the proposed decision or the project in general  
12 and that's why we're here in your community. And  
13 let me say I always love to come to Hanford,  
14 because I have to at least take one stroll around  
15 the square, the trek over to the dairy and I'd  
16 like to, on my behalf, encourage GWF or the folks  
17 of Hanford to do a little more so we can come  
18 back.

19 (Laughter.)

20 HEARING OFFICER SHEAN: At this point  
21 let me introduce the Applicant's team, they're  
22 over here to my left. And then after the staff  
23 introduces itself, we'll get on with their  
24 presentation.

25 Mr. Grattan.

1                   MR. GRATTAN: Good morning. Can  
2 everyone hear? I'm John Grattan, I'm the  
3 Applicant's counsel. To my far right is Doug  
4 Wheeler, who is the Manager of this project from  
5 GWF, the Applicant. And to my immediate right is  
6 Dave Stein from URS Corporation, and Dave Stein  
7 led the project team which prepared the  
8 application and forth the application.

9                   PROJECT MANAGER CASWELL: And to my  
10 right is Caryn Holmes, the attorney for the  
11 project here. And I'm Jack Caswell, I'm the  
12 Project Manager at the California Energy  
13 Commission.

14                  HEARING OFFICER SHEAN: If you would  
15 like, members of the audience, copies either of  
16 the revised initial study, they're at the staff  
17 table in a yellow cover and we have copies of the  
18 proposed decision here.

19                  So what we're going to do is have a  
20 brief presentation now by the Applicant. We're  
21 going to have a little bit of a formal session  
22 here where we're going to take into our record the  
23 application that they've filed and we'll take into  
24 the record the revised initial study from the  
25 staff and then we're going to throw the meeting

1 open to you for your comments. We know we've got  
2 some members of the public who have come this  
3 morning to speak and we will be hearing from you.

4 So, without further ado.

5 MR. WHEELER: What we want to do this  
6 morning as soon as -- I've got a brief Power Point  
7 presentation that describes the project,  
8 basically.

9 The project that is being discussed this  
10 morning is being sponsored by GWF Power Systems.  
11 As you're probably aware GWF currently operates a  
12 facility in Hanford. That facility has been in  
13 operation for approximately ten years and that  
14 plant is located on Idaho Avenue in the southern  
15 part of the city.

16 This is an artist's rendering of the  
17 proposed project. It's a 98.7 megawatt  
18 cogeneration facility. Let me point out the  
19 significant pieces to the plant and give you some  
20 orientation.

21 This would be the railroad here. Idaho  
22 would be here. This is the gas turbine. The  
23 facility is natural gas-fired. It uses natural  
24 gas in the combustion turbine that drives a  
25 generator and produces a portion of the

1 electricity. The waste heat from the HRSG or from  
2 the combustion turbine exhaust goes into the  
3 boiler or, as it's referred to, a heat recovery  
4 steam generator.

5 The heat is recovered and converted to  
6 steam. You can't really see a good view of it  
7 here, but the steam turbine is located here. The  
8 steam that's from the boiler passes through the  
9 steam turbine and generates an additional, about  
10 35 megawatts, bringing the total generation from  
11 the steam turbine and the combustion gas turbine  
12 to 98.7 net.

13 The steam condensate is cooled with the  
14 cooling tower located here. The transmission  
15 interconnect substation is located here.

16 This is a process flow diagram. Again,  
17 the gas turbine located here generates 67.6  
18 megawatts exhaust flow into the boiler. We have  
19 the capability in the plant to fire natural gas  
20 through a duct burner in the boiler to generate  
21 additional steam that would be used for businesses  
22 or companies who may site in the industrial park  
23 and have a need for steam in their operations.

24 The SCR catalyst which is used to  
25 control oxides of nitrogen or NOx and the



1       oxidation catalyst which is used to control CO and  
2       VOC or Volatile Organic Carbon emissions is  
3       located actually in the HRSG. Steam is produced  
4       from the boiler, again flows through the steam  
5       turbine, generates steam, the condensate flow to  
6       the condenser and is cooled through the cooling  
7       tower.

8               MR. DARR: Could I ask you a question on  
9       that, sir?

10              MR. WHEELER: Sure.

11              MR. DARR: You said the gas turbine  
12       produces 67.6 megawatts, right?

13              MR. WHEELER: Yes.

14              MR. DARR: And the steam turbine 34.4?

15              MR. WHEELER: Correct.

16              MR. DARR: That's more than 98.

17              MR. WHEELER: That's on a gross basis.

18       The plant uses electricity within the plant.

19              MR. DARR: Oh, okay.

20              MR. WHEELER: So the net generation  
21       leaving the plant would be the 98.7.

22              MR. DARR: All right.

23              MR. WHEELER: This is a location map.

24       Hanford is up here. This is the existing GWF  
25       site, again located on Idaho. This is the

1 Burlington Santa Fe tracks here. Pirelli located  
2 here, Del Monte here.

3 GWF acquired a ten-acre parcel in the  
4 industrial park and it's this L-shaped parcel.  
5 The proposed project will actually be developed on  
6 five acres of that ten-acre parcel and it's the  
7 five-acre parcel due east of the existing plant,  
8 between the existing plant and the railroad  
9 tracks.

10 This is a photograph of the existing  
11 plant, looking from Idaho Avenue northwest. This  
12 is the five-acre parcel where the expansion  
13 project will be developed.

14 This is the same photograph with the  
15 rendering of the proposed project superimposed.  
16 Again, the existing plant over here. This is the  
17 gas turbine. This big boxy thing up here is the  
18 air intake to the gas turbine. The boiler, this  
19 is a better view of the steam turbine and  
20 condenser. The cooling tower is located here and  
21 the substation located here.

22 This is just a facility layout of the  
23 existing facility located here. Again the  
24 railroad tracks, Idaho Avenue, cooling tower, the  
25 gas turbine, HRSG steam turbine and the substation

1       interconnect.

2               The environmental issues have been  
3       identified and have been looked at very closely.  
4       There are a number of issues that the application  
5       dealt with, but the issues that we kind of focused  
6       on in our first presentation were air quality  
7       impacts, water resource impacts and noise. And  
8       again, these aren't all of the impacts, all the  
9       impacts have been evaluated in the application by  
10      the Energy Commission staff.

11             On air quality, the mitigation measures,  
12      again the project will incorporate best available  
13      control technology, the guidelines that have been  
14      established by the California Air Resources Board  
15      for NOx, the combustion turbine will utilize dry  
16      low NOx, a dry low NOx combustor which burns gas  
17      in a manner that minimizes the oxygen NOx  
18      emissions.

19             The HRSG, again, as I pointed out on the  
20      process flow diagram, will use a low NOx duct  
21      burner and will use selective catalytic reduction  
22      for NOx control.

23             We do have an auxiliary boiler which  
24      will use ultra-low NOx burners. Now the auxiliary  
25      boiler you notice is standby only. The purpose

1       for the auxiliary boiler if we develop steam  
2       customers that will take steam from this plant we  
3       need to make sure that those customers have steam  
4       supplies available to them all the time. So, if  
5       for some reason, the combustion turbine is down we  
6       will be able to satisfy those steam requirements  
7       out of that auxiliary boiler.

8               VOC, Volatile Organic Carbons, is  
9       another pollutant from the facility. VOC is a  
10      precursor. It reacts with NOx in the atmosphere  
11      to form ozone, which is the reason why we need to  
12      look at VOC emissions and mitigate those  
13      emissions.

14             The VOC control is using an oxidation  
15      catalyst. It's the same catalyst that's used to  
16      control the CO emissions from the facility.

17             CO again uses the oxidation catalyst.  
18      Now we can use best available control technology  
19      to do the best job we possibly can to reduce the  
20      emissions coming out of the plant, but there are  
21      still emissions and the way the air quality impact  
22      is mitigated in this project is through the use of  
23      emission reduction credits.

24             Those credits have all been purchased  
25      and the credits will be provided at a rate greater

1       than a one-to-one. And that ratio is consistent  
2       with the San Joaquin Valley Unified Air Pollution  
3       Control District rules and regulations. And those  
4       ratios, if the ERC is created at less than within  
5       a 15-mile radius of the plant, the ratio is 1.2 to  
6       one. If it's greater than 15 miles, it's 1.5.

7               But that's where there's an air quality  
8       benefit associated with the project. Emissions  
9       aren't being offset at a ratio of one-to-one,  
10      they're being offset at a ratio of greater than  
11      one-to-one.

12             MR. DARR: Emission reduction credits,  
13      who do you buy that from, the County?

14             MR. WHEELER: No, they're actually  
15      individuals' companies who have either modified  
16      their operations or shut their operations down.  
17      And as part of that process they will go to the  
18      Air District and if the Air District feels that  
19      there are air emission reductions that will be  
20      achieved, either by that process change or by the  
21      shut-down of the facility that can be quantified,  
22      then they allow that stationary source to bank  
23      those emissions.

24             The Air District maintains a registry.  
25      The district doesn't own them. They are held

1       privately, but the registry is maintained by the  
2       air district.

3               MR. DARR:   Who gets the overall monies  
4       for this?

5               MR. WHEELER:   That goes to the  
6       individual, the company who owns emission  
7       reduction credits.

8               MR. DARR:   Well, where did they buy it  
9       from?

10              MR. WHEELER: Well, it's their facility  
11       where the emission reduction credits were  
12       generated.   In other words, as an example, a  
13       company has a boiler and they install low NOx  
14       burners, as an example, to reduce the NOx  
15       emissions.   They can go to the district and they  
16       made the investment to put in the burners and that  
17       NOx reduction can be banked as an emission  
18       reduction credit, if the district feels that they  
19       can quantify those emission reductions.

20              MR. DARR:   Is this an organization of  
21       the EPA thing or -- what I'm trying to -- where  
22       were these bought from originally?

23              MR. GRATTAN:   These aren't -- if I can  
24       interrupt here.   The credits aren't dollars.   The  
25       credits are tons of emissions that are reduced.

1                   MR. DARR: Okay, but where does that  
2 start at? Where does it start?

3                   MR. GRATTAN: Okay, I own a factory and  
4 I'm emitting 50 tons a year. I put on new control  
5 technology and I get it down to 25 tons. I have a  
6 credit, the air has gotten better by 25 tons less  
7 emissions. I can put that in the bank, not the  
8 money, but the credits and then GWF comes and  
9 purchases those credits.

10                  MR. DARR: But where did it start from?

11                  MR. GRATTAN: It starts from reducing  
12 the pollution --

13                  MR. DARR: It starts from that, but you  
14 have to get it from somebody.

15                  HEARING OFFICER SHEAN: Hang on, I think  
16 his question is, goes back to, before the entire  
17 Clean Air Act regime had started, either  
18 agricultural or industrial facilities were  
19 constructed without regulation in both the  
20 metropolitan areas and here in the valley and they  
21 exist by virtue of having gotten in prior to the  
22 air quality rules having been adopted.

23                  Then you have the implementation of  
24 regulation, both at a federal and state level and  
25 during that period additional facilities were

1 created. But in order to have a program that  
2 overall improves the air quality there are  
3 regulations that tell those businesses, they have  
4 to ramp down their emissions.

5 Now if they ramp them down more than the  
6 requirements specify, then not only are they  
7 cleaning the air but they're making available that  
8 extra bit of ramp-down so that there can be  
9 continued economic activity and growth with new  
10 emission sources that need to come in and provide,  
11 for example as this project does, both electricity  
12 and steam, but without making the air quality  
13 worse.

14 So the benefit here is that, let's say  
15 Acme Company decides to on its boilers put in low  
16 NOx burners. And now under this regulatory scheme  
17 they're taking their emissions farther down than  
18 they need to, they can sell that credit to GWF.  
19 GWF can construct its facility and by virtue of  
20 this ratio you will always have the air getting a  
21 little bit cleaner all the time until you reach  
22 the attainment level that's in the regulation  
23 program.

24 MR. DARR: In other words, this  
25 generated from the Energy Commission saying how



1 much they -- whenever all the emissions and  
2 everything, controls came about they allowed each  
3 plant so much?

4 HEARING OFFICER SHEAN: Correct.

5 MR. DARR: Is that right?

6 HEARING OFFICER SHEAN: Yes, it wasn't  
7 the Energy Commission.

8 MR. DARR: Well, whoever said it.

9 HEARING OFFICER SHEAN: Yeah, the  
10 government.

11 MR. WHEELER: It was a federal law.

12 MR. DARR: A federal law.

13 MR. WHEELER: Yes.

14 MR. DARR: Okay, well, that's what I'm  
15 trying to get, where did it come from to begin  
16 with. Okay. But do you have to give money to buy  
17 those credits?

18 MR. WHEELER: Yes, we have to purchase  
19 those credits from the owner of the credits.

20 MR. DARR: Well, then that's just an  
21 asset of the company whenever, during their  
22 operation, whenever this was all set, that's a  
23 credit to their benefit and if they can get from  
24 100 down to 50, whatever it is, you know,  
25 emissions, and you can go in and buy that 50?

1                   MR. WHEELER: That's correct, it's part  
2 of their asset base.

3                   MR. DARR: And that's just like money in  
4 the bank to them?

5                   MR. WHEELER: That's correct, yes, it's  
6 an asset.

7                   MR. DARR: Okay, all right, thank you.

8                   Maybe you don't understand my thinking,  
9 but --

10                  MR. WHEELER: No, no, and I think Gary  
11 offered a very --

12                  MR. DARR: -- somebody is getting some  
13 money someplace.

14                  MR. WHEELER: The other impact area is  
15 water resources. The proposed project will use  
16 850 acre feet of water per year. That water is  
17 used in the cooling tower as make-up, boiler fee  
18 water make-up for the steam cycle and the  
19 evaporative cooling on the gas turbine.

20                  The water supply will be from an  
21 existing groundwater supply well. As everyone  
22 knows, the groundwater aquifers in this part of  
23 the valley are overdrafted and if we simply used  
24 water from that water supply well, it would just  
25 make that overdraft condition worse.

1           The mitigation that is being provided to  
2       mitigate that overdraft condition, we have  
3       purchased state project water entitlements from  
4       Angeiola through the Tulare Lake Water Storage  
5       District. We've entered into a water exchange  
6       agreement with the Boswell Company and we have  
7       also put in place a groundwater banking agreement  
8       with the Kings County Water District.

9           It's probably best to explain this using  
10      a map, but the state project water entitlement  
11      that we've acquired will be delivered through the  
12      California Aqueduct. It will be taken out through  
13      the storage district's turnout located near  
14      Kettleman City and will be delivered to Boswell.

15           The exchange agreement with Boswell  
16      allows DWF to exchange that water delivered to  
17      Boswell here for entitlements they have on the  
18      Kings River that will be delivered to the Kings  
19      County Water District.

20           The Kings County Water District will  
21      then take those Kings River deliveries and deliver  
22      that water directly to farmers in the area to  
23      offset their groundwater pumping operations or  
24      will be sunk in one of the water districts sinking  
25      basins.

1                   Noise is another potential concern.  
2           Baseline noise level studies were conducted prior  
3           to the submittal of the application. The project  
4           has been designed with noise attenuation built  
5           into it and the attenuation design features have  
6           been modeled with predicted contribution levels to  
7           the receptor sites around the plant.

8                   We expected that the noise levels at the  
9           sensitive receptors would be less than five dba.  
10          Actually that model indicated that the noise  
11          levels would be less than two dba.

12                  This is a map indicating the location of  
13          the noise measurement taken at the site, again  
14          before the application was prepared. This is the  
15          existing site, but there were noise levels taken  
16          around the site and then at each one of these  
17          receptor sites, and then the noise predicted from  
18          the expansion of the existing facility were  
19          modeled to understand what the predicted impact  
20          would be at these sensitive receptors.

21                  Once the project is placed into  
22          operation one of the conditions that have been  
23          imposed by the staff is that we go back and  
24          remeasure the noise levels at all these receptors  
25          to be sure that those measurements conform with

1 the results of the modeling.

2 If they don't conform then it's GWF's  
3 responsibility to mitigate through adding  
4 additional noise attenuation at the facility to  
5 bring those receptor noise levels consistent with  
6 the model results.

7 The environmental and the economic  
8 benefits that we feel are associated with this  
9 project, it's an addition of a clean, reliable and  
10 efficient source of energy for the Kings  
11 Industrial Park. We use natural gas as a fuel  
12 source and state of the art air pollution controls  
13 to minimize air emissions.

14 Emission offsets for NOx VOC PM10 and CO  
15 consistent with the air district rules and  
16 regulations have been provided. "Reduction in the  
17 potential of hazardous materials exposure by  
18 converting the existing anhydrous ammonia system  
19 to aqueous." What that means is the current plant  
20 is using anhydrous ammonia. That's what's stored  
21 on-site to reduce the oxides of nitrogen in those  
22 stack emissions. Going to an aqueous system makes  
23 any release of ammonia much more manageable and  
24 significantly reduces the potential impact to the  
25 neighbors around the plant.

1           So that anhydrous system will be  
2           converted to aqueous.

3           Recharging the local aquifer to fully  
4           mitigate the groundwater use, as I've previously  
5           described, this project would actually use the  
6           existing operating and maintenance personnel at  
7           the existing facility to operate the expansion  
8           project.

9           We estimate that there would be an  
10          addition of approximately \$700,000 per year in  
11          local property taxes, about \$2.1 million in the  
12          purchase of local goods and service during the  
13          construction period and an addition of  
14          approximately \$30,000 a year in goods and services  
15          during operations.

16          And that concludes the presentation.  
17          Are there any questions that I can answer?

18                 HEARING OFFICER SHEAN:   Why don't we --

19                 MR. DARR:   I have one question.

20                 HEARING OFFICER SHEAN:   All right, sir.  
21          Why don't you indicate your name, if you will  
22          please, because our reporter here is taking --

23                 MR. DARR:   She has my name, sir,  
24          Frederick J. Darr.

25                 HEARING OFFICER SHEAN:   All right, Mr.

1 Darr.

2 MR. DARR: You used to burn coal out  
3 there, is that right, when it first started?

4 MR. WHEELER: The original project was  
5 permitted as a coal burning facility, but as a  
6 result of a settlement agreement with various  
7 parties and the City of Hanford we converted that  
8 from coal to petroleum coke and natural gas.

9 MR. DARR: I see. Where do you get your  
10 coke from, sir?

11 MR. WHEELER: The petroleum coke comes  
12 from Bakersfield.

13 MR. DARR: Bakersfield.

14 MR. WHEELER: From the Texaco refinery.

15 MR. DARR: I'm sorry to be such a  
16 bother, but I'm very interested in this.

17 MR. WHEELER: That's fine.

18 HEARING OFFICER SHEAN: Okay, at this  
19 point why don't we have the Applicant offer up its  
20 application, date of response and other things  
21 into the record.

22 MR. GRATTAN: I'd like to introduce and  
23 have sworn for the record David Stein from URS  
24 Corporation.

25 HEARING OFFICER SHEAN: Okay.

1       Whereupon

2                               DAVID STEIN

3       was called as a witness and having been first duly  
4       sworn, was examined and testified as follows:

5                               DIRECT EXAMINATION

6       BY MR. GRATTAN:

7               Q     Briefly, can you in about four  
8       sentences, can you tell us who you are and what  
9       your qualifications are?

10            A     Sure, my name is David Stein. I'm a  
11       Senior Program Manager for URS Corporation and I  
12       was responsible for directing the preparation of  
13       the application for a small powerplant exemption  
14       for the Hanford Energy Park Project as well as all  
15       of the supplemental materials that were filed on  
16       behalf of the Applicant.

17            Q     And just for the record you prepared the  
18       application of May 19th?

19            A     Yes, I did.

20            Q     And you prepared the data request  
21       responses which were in August of the year 2000?

22            A     Yes, those materials were prepared  
23       either by myself or under my direction.

24            Q     And the comments on the draft initial  
25       study of December 21st, 2000, did you prepare



1       those or were they prepared under your  
2       supervision?

3             A       Yes.

4             Q       And finally the comments on the final  
5       initial study dated March 7th, did you prepare  
6       them or were they prepared under your supervision?

7             A       Yes.

8                   MR. GRATTAN:  That's the extent of our  
9       testimony.

10            HEARING OFFICER SHEAN:  All right.  Then  
11       in the absence of an objection, the materials, the  
12       application, the date of responses and all other  
13       submittals identified by the Applicant will be  
14       taken in the record for the purpose of supporting  
15       the Commission's decision.

16            All right, hearing no objections they  
17       are admitted.

18            Now we're going to switch over here to  
19       the Commission staff and have a brief presentation  
20       there.

21            STAFF COUNSEL HOLMES:  Thank you staff's  
22       witness in this matter is Jack Caswell.  He needs  
23       to be sworn.

24       ///

25       ///

1       Whereupon

2                               JACK CASWELL

3       was called as a witness and having been first duly  
4       sworn, was examined and testified as follows:

5                               DIRECT EXAMINATION

6       BY MS. HOLMES:

7               Q     Mr. Caswell, can you briefly state what  
8       your responsibilities are with respect to the  
9       Hanford Energy Project?

10            A     I'm the Project Manager for the  
11       California Energy Commission and I was in lead  
12       over the preparation team that put together the  
13       staff assessment for this project. I was also  
14       responsible for certain individual sections, the  
15       executive summary, introduction and the proposed  
16       negative declaration, as well as project  
17       description.

18            Q     So is it fair to say that the initial  
19       study was prepared by you under your direction?

20            A     Yes.

21            Q     Do you have any corrections to the  
22       initial study?

23            A     Yes, I do. The proposed negative  
24       declaration has been modified to become a proposed  
25       mitigated negative declaration. The conclusion it

1 draws is the same but there are some specifics  
2 within this newly developed proposed mitigated  
3 negative declaration that are more in line with  
4 some current statutes.

5 Q So you're removing the proposed negative  
6 declarations on page 227 in the initial study?

7 A Yes.

8 Q And substituting the proposed mitigated  
9 negative declaration that was mailed to the agency  
10 in distribution lists on March 8th?

11 A Yes.

12 Q Do you have any other changes or  
13 corrections to the initial study?

14 A Yes, the Applicant submitted comments on  
15 the initial study and suggested some changes in a  
16 document that is dated March 7th, 2001 and we  
17 accept those suggested changes to the staff's  
18 initial study as they've been presented to us.

19 STAFF COUNSEL HOLMES: I think that  
20 concludes staff's presentation.

21 HEARING OFFICER SHEAN: All right, then  
22 absent objection we will admit the revised initial  
23 study, the amendments to the mitigated negative  
24 declaration and the staff's acceptance of the  
25 modifications proposed by the Applicant.

1                   MR. GRATTAN: I have one question of Mr.  
2 Caswell, if I may.

3                   HEARING OFFICER SHEAN: Sure.

4                   CROSS EXAMINATION

5                   BY MR. GRATTAN:

6                   Q     Mr. Casell, having read and accepted the  
7 comments on the final initial study, if that's not  
8 an oxymoron, and the Presiding Member's proposed  
9 decision, does that in any way change your  
10 conclusion that the project will have no  
11 significant impact upon the environment and the  
12 project will comply with laws, ordinances,  
13 regulations and standards?

14                  A     No, it will not change anything or any  
15 conclusions that we've made in the initial study.

16                  MR. GRATTAN: Thanks.

17                  HEARING OFFICER SHEAN: All right. We  
18 now have a complete record and a slightly modified  
19 initial study or at least the proposed negative  
20 declaration. And let me just indicate that in the  
21 notice of this particular workshop we also  
22 indicated our belief that the full Commission was  
23 going to be taking this matter up for  
24 consideration on March 21st. And I guess I have  
25 to tell you that based upon further legal research

1        what has been uncovered is the fact that initially  
2        when the Energy Commission was preparing small  
3        powerplant exemptions, which this is, this would  
4        be back in the early eighties, we essentially took  
5        the lead under CEQA in coming up with initial  
6        studies followed by negative declarations that had  
7        conditions imposed on them.

8                    At that time in the early eighties a  
9        negative declaration could not be issued if there  
10       were conditions on its issuance, such as the  
11       Applicant wasn't supposed to perform certain  
12       things. As a result of what the Energy Commission  
13       has done that mitigated negative declaration came  
14       into existence.

15                   In addition to that there was a program  
16       established by statute for the monitoring of  
17       compliance with conditions imposed under the  
18       California Environmental Quality Act. And what  
19       has happened is that the regulations adopted by  
20       the Office of Planning and Research, which  
21       oversees the state clearing house of CEQA have  
22       developed to the point where they have procedures  
23       now which go beyond what are in our regulations  
24       that were adopted in the eighties and we have a  
25       bit of a problem sort of scheduling.

1                   So instead of being able to go on March  
2           21st, we are making the changes that were sent out  
3           on March 8th to be in accord with the schedule  
4           that OPR has and we currently have a Special  
5           Business Meeting scheduled for April 11th. And  
6           I'm attempting to hold together a quorum, since  
7           this is between the Commission's biweekly normal  
8           business meeting schedule.

9                   If we fail in that we will be hearing  
10          this on April 18th. But I'd like to indicate at  
11          this point that having watched again the  
12          Applicant's presentation that GWF is justifiably  
13          proud of their project at this point through a lot  
14          of hard work with the Energy Commission staff as  
15          well as the City of Hanford, your local air  
16          quality district and other local agencies. They  
17          have managed to, I think, satisfy both the  
18          government and it appears to me the citizenry that  
19          they have, that they have the best possible  
20          project that they could have put together, both  
21          from servicing the City of Hanford and the  
22          industrial park out there as well as the larger  
23          California community in the sense of providing  
24          electricity.

25                   So they really have been an exemplary

1       applicant and the record should clearly reflect  
2       that.

3               We have a request for some speakers at  
4       this point. Mr. Darr, if you'd like to.

5               STAFF COUNSEL HOLMES: Mr. Shean, if I  
6       could --

7               HEARING OFFICER SHEAN: I'm sorry.

8               STAFF COUNSEL HOLMES: I'm sorry, if I  
9       could precede the speakers I just want to let  
10      people know that there are a series of documents  
11      that we had to prepare to file with the state  
12      clearing house and I have copies of them here if  
13      anybody wants to look at them.

14              One is a form that the clearing house  
15      requires be typed up identifying the type of  
16      project and a brief description. The other is the  
17      Energy Commission's notice of intent to adopt the  
18      proposed mitigated negative declaration and the  
19      third is the mitigated negative declaration  
20      itself. So they're available for anybody who  
21      wants to look at those.

22              MR. DARR: I have one question and it  
23      deals with the noise pollution. And I'm just a  
24      home owner here in Hanford, but I'm interested in  
25      GWF, the noise pollution and how you described it,

1 taking all those different points on there, you  
2 know. Okay, but how do you determine the noise  
3 before the project is finished and completed, how  
4 was that determined what the noise pollution will  
5 be before the project is done, put in?

6 MR. WHEELER: Well, we took baseline  
7 measurements. Those measurements were taken prior  
8 to the submittal of the application. That will  
9 characterize the noise setting prior to  
10 constructing the plant.

11 Now, we can take the noise emitting  
12 pieces of equipment within the plant that we're  
13 going to build and we can model the impact of that  
14 noise contribution at those sensitive receptors  
15 that I illustrated on the map.

16 So going in we've got an idea of what  
17 the impact will be at those sensitive receptors.  
18 And, as I stated, once the plant is in operation,  
19 we will come back and redo that. If those  
20 measurements do not conform with the modeled  
21 results that are part of the record, then GWF will  
22 have to mitigate those to levels that are  
23 consistent with the findings.

24 MR. DARR: Right. In other words could  
25 I say what you're basing this on is maybe possibly



1 another plant that has the same type of noise  
2 suppressors in it, that is already on line,  
3 generating?

4 MR. WHEELER: Yes, as far as the  
5 attenuation efficiency that the engineers use they  
6 do rely on operating plants to come up with those  
7 levels.

8 MR. DARR: Okay, thank you very much. I  
9 appreciate it.

10 HEARING OFFICER SHEAN: Any more, Mr.  
11 Darr, we're happy to hear from you and we're glad  
12 you were here.

13 MR. DARR: I had some other questions,  
14 but it doesn't deal with this issue, so I won't  
15 take up your time.

16 HEARING OFFICER SHEAN: Well, thank you.

17 Mr. Verboon.

18 MR. VERBOON: Good morning. I'm Jim  
19 Verboon for the record. I'm a member of the Kings  
20 County Citizens for a Healthy Environment, Board  
21 of Directors, Member of the California Farm Bureau  
22 Board of Directors and Kings County Farm Bureau  
23 Board of Directors.

24 And at this time if we have kind of  
25 short energy supplies obviously our industry is in

1 favor of seeing new powerplants come on line to  
2 produce electricity at reasonable rates, without  
3 deterioration to the environment, which this  
4 project has been very well mitigated and put  
5 together.

6 Obviously, number one, we'd like to have  
7 hydro, because, you know, it gives us water as  
8 well as clean electricity. But in some years like  
9 one when it's kind of dry you don't have hydro so  
10 you need other sources, so this seems to be a good  
11 alternative and the project looks like it will do  
12 good for the community and good for our state.

13 Thank you.

14 HEARING OFFICER SHEAN: Thank you.

15 Are there any other members of the  
16 audience who'd like to speak?

17 All right, then we're going to prepare  
18 to adjourn our meeting.

19 PROJECT MANAGER CASWELL: There is a  
20 copy of the initial study, there's five copies  
21 here if someone would like one for your own  
22 personal interest so that you can relate this to  
23 the project. And if I could have everyone sign in  
24 on the sign-in sheet here, so that I could have a  
25 record of who was here. You don't have to do

1           this, but it would be helpful if you would.

2                     Thank you.

3                     MR. GRATTAN:   Maybe a final word.   I'd  
4           like to say here in Hanford, on behalf of the  
5           Applicant, that it's been a pleasure to work with  
6           the Hearing Officer and with staff and with the  
7           city and the citizens here in Hanford.   And I want  
8           to say particularly staff, extremely thorough,  
9           extremely efficient, and the Energy Commission has  
10          taken, I think, a bad rap for the fact that we  
11          don't have powerplants on line.   It has nothing to  
12          do with the Energy Commission and we really  
13          appreciate the attention this project got from  
14          staff and the professional way it was handled.

15                    HEARING OFFICER SHEAN:   Well, thank you,  
16          Mr. Grattan.

17                    All right.   And my words with respect to  
18          the Applicant are even truer, knowing some of the  
19          other applicants who are in the business.

20                    (Laughter.)

21                    HEARING OFFICER SHEAN:   Exemplary.

22                    All right, with all that glad-handing  
23          and back-patting, we should just move on and say  
24          we are extremely happy to have had the opportunity  
25          to come here to the City of Hanford.   Your local

1 officials have been very accommodating and we look  
2 forward to coming back.

3 With that we will see you either on  
4 April 11th or 18th and conclude this matter.

5 Thank you very much.

6 (Thereupon the hearing was  
7 adjourned at 11:50 a.m.)

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## CERTIFICATE OF REPORTER

I, VALORIE PHILLIPS, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Workshop; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said Workshop, nor in any way interested in the outcome of said Workshop.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of March, 2001.

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